

5/001/028

February 16, 2001

Tom Munson - Senior Reclamation Specialist
State of Utah Division of Oil, Gas, and Mining
PO Box 145801
Salt Lake City, Utah 84114-5801

Greetings,

I am enclosing letters regarding termination of lease on the Red Hill #1 project, #S/001/028.
Please prepare the necessary papers to release us from that project.

Sincerely,



Gary Mullard
President

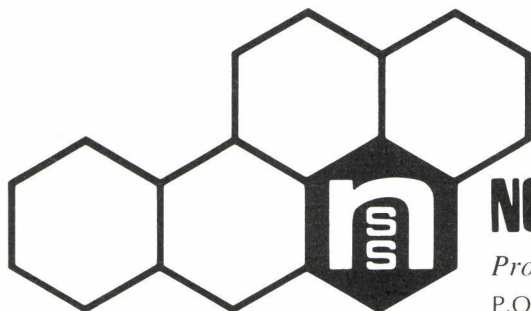
lw

enclosures: 2/16/2001 letters to Ed Ginouves - B.L.M., Richard Burbidge.

RECEIVED

FEB 21 2001

DIVISION OF
OIL, GAS AND MINING



NORTHERN STONE SUPPLY, INC.

Producing Quality Building Stone Products for Worldwide Distribution

P.O. BOX 249 / OAKLEY, IDAHO 83346 / (208) 862-3353 / FAX (208) 862-3846

February 16, 2001

5/001/028

Richard D. Burbidge
Burbidge and Mitchell, Attorneys
139 East South Temple, Suite 2001
Salt Lake City, Utah 84111-1103

Re: Rhyolite Quarry, The Mint Claims, Beaver County, Utah Agreement Dated February 24th 1997.

Greetings,

We are electing to terminate the above noted agreement effective the date of completion of the required reclamation work required by the B.L.M.. I have contracted with Mark Dotson of Breccia Development, Inc. to do that work within the next two weeks. He has been in contact with Mr. Ed Ginouves of the Bureau of Land Management, Cedar City office, and confirmed what is required to terminate our obligation with them.

I have forwarded these details to Tom Munson, Senior Reclamation Specialist, State of Utah, Department of Natural Resources Division of Oil, Gas and Mining for their clearance. B.L.M. holding fees and state annual permit fees were paid for 2000-2001. We have not removed any stone since our last royalty payment dated 8/2/99.

We regret having to terminate this operation after putting so much effort and money into clean up and basic development, but the economics are simply not there in view of all of the overlapping regulations, fees, obligations, and today's operating costs.

I appreciate the opportunity of being able to do business with you. I hope we will meet again some day.

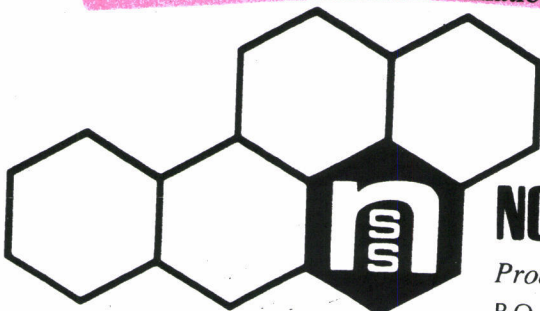
Sincerely,

Gary Mullard

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President
lw

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cc: Tom Munson - Senior Reclamation Specialist, State of Utah, Division of Oil, Gas, and Mining



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February 16, 2001

Ed Ginouves, Mining Engineer
Bureau of Land Management
176 East DL Sargent Drive
Cedar City, Utah 84720

Greetings,

As you know I have contracted with Mark Dotson, Breccia Development, Inc. to do the required restoration work on the Mint Claim per your instructions. As soon as you confirm that Breccia has completed the work, please advise me so I can close my file with the B.L.M..

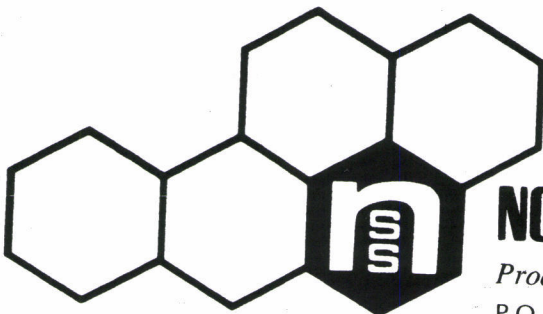
Sincerely,



Gary Mullard
President

lw

cc: Tom Munson - Senior Reclamation Specialist, State of Utah Division of Oil, Gas, and Mining



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